

MEMORANDUM FOR: Director of Central Intelligence
7E12 HQS

1 NOV 1984

As a recipient of the monthly International Financial Situation Report I think you will be interested in the attached paper, which assesses the financial impacts of an oil price decline on major LDC debtors. We judge that a small price decline will have only moderate effects on most of them regardless of whether they are oil importers or exporters. A drop in oil prices to \$20/bbl would be devastating to exporters such as Mexico, Nigeria, and Egypt and could cause ripple effects on lending to LDC oil importers, delaying the positive impact of lower oil prices.

Director of Global Issues

C-112

Date OCT 25 1984